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April 21, 1994

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: GEN Docket No. 90-314
(Personal Communications Services)
CC Docket No. 92-105
(N11 Codes and Other Abbreviated Dialing Arrangements)
Notice of Oral Ex Parte Presentations

Dear Mr. Caton:

On behalf of Cox Enterprises, Inc. ("Cox") and pursuant to Section 1.1206(a) of the Commission's Rules, this letter will constitute notice that on April 8, 1994, Alexander V. Netchvolodoff, Vice President of Public Policy of Cox Enterprises, Inc., Werner K. Hartenberger, Laura H. Phillips and J.G. Harrington of Dow, Lohnes & Albertson met with William Kennard, General Counsel and Sara Seidman of the General Counsel's office to discuss outstanding issues of licensed market size and spectrum allocation in the Commission's Personal Communications Services proceeding. Cox's views on the substantive issues in this proceeding are on record in its comments and reply comments filed in GEN Docket 90-314.

Additionally during this meeting, we discussed issues raised in Cox's comments and reply comments in CC Docket No. 92-105, N11 Codes and Other Abbreviated Dialing Arrangements. We discussed the development of N11 service and of Cox's initial request for N11 services; the status of the N11 service offerings in BellSouth territory and of N11-related proceedings in non-BellSouth states; and potential uses for N11 numbers. A copy of the materials provided in this meeting are attached.

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Should any questions arise in connection with this notification, please do not hesitate to contact the undersigned.

Respectfully submitted,

Werner K. Hartenberger

Werner K. Hartenberger
Counsel for Cox Enterprises, Inc.

LHP/vcs
CC: William E. Kennard, Esquire (Via Hand Delivery)
Sara Seidman, Esquire

## ASSIGNMENT OF N11 NUMBERS FOR "PUBLIC INTEREST" USES

Since the issuance of the Commission's Notice of Proposed Rulemaking on N11 numbers, there have been many suggestions for "public interest" uses of N11 numbers. Many of these proposals were submitted mostly in the hope of derailing N11 assignment, without any serious intention to implement them.[1/] Some other proposals are more serious. Two of those proposals are for assignment of N11 numbers for access to telecommunications relay service (and which is used to facilitate communication by the hearing impaired) and for a federal government information line. These proposals, which share similar flaws, are representative of the other proposals as well. Thus, the following discussion focuses on relay service and the federal government information line.

### N11 Cannot Provide the Ubiquity Needed for These Uses

The first barrier to use of N11 numbers for these purposes is the difficulty of achieving ubiquity. These services, particularly access to relay service, must be available to all subscribers, without regard to where they happen to be located. Unfortunately, N11-based services cannot meet this requirement. For instance, even after twenty years of effort, 911 is not available to fully 25 percent of the access lines in the country and 65 *percent* of the geographic area of the country does not have access to 911. The availability of 411 is no more extensive than 911.

The difficulty in providing 911 and 411 is related to the characteristics of some of the switches now used in the telephone network. As a consequence, a solution to these difficulties will be expensive and will take a long time to implement. There are much simpler and less expensive alternatives that are available in the short term that would permit ubiquitous availability of access to relay service or to government information. Notably, 800 service is available today nationwide.

Commercial users do not require nationwide ubiquity because their uses are local in nature. In addition, commercial users can make a business judgment as to whether the service is available to enough customers to make it worth purchasing. Commercial uses in general are less sensitive to ubiquity than the non-commercial uses that have been proposed.

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1/ For instance, some parties have argued for separate N11 numbers for fire, police and ambulance calls despite a twenty-year effort to consolidate all emergency calls on 911.

**N11 Is Too Expensive for Non-Commercial Uses**

Implementation of N11 service is expensive. As described above, there would be substantial expense associated with necessary modifications to make switches capable of handling N11 calls. Even after those modifications are completed, there will be substantial initial costs associated with the necessary programming of individual switches. Start-up charges for N11 service in the BellSouth region range from $1,000 to $85,000 for a single local calling area. Given that there are thousands of local calling areas in the country, the start-up costs for a single nationwide N11 number easily could be in the tens of millions of dollars. Other services, such as 800 service, have practically no start-up costs.

N11 is expensive on an ongoing basis as well. BellSouth charges ten cents per call, in addition to the service charges already borne by the information services provider, for N11 service. Since N11 service is purely local at this time, this per call charge does not include access charges, which would add considerable per-call expense to every call. Thus, an interLATA N11-based service easily could have recurring charges that exceed those for 800 service.

**N11 Is Best Suited for Purely Local Services**

Most of the proposals for non-commercial services are nationwide in scope and contemplate, at a minimum, regional calling areas (*i.e.* areas covering multiple area codes). N11 numbers are best suited to more purely local uses, as is reflected by their current usage patterns. Given current network architectures, which assume local routing of N11 calls, it also is more difficult to implement non-local routing for N11 numbers.

There already are numbering resources that are adapted to regional or national uses. Notably, 800 service is designed for regional and nationwide coverage and the implementation of 800 number portability permits enough flexibility to route calls depending on where they originate. There also are regional uniform numbers available through existing Bell Operating Company tariffs.

There are no comparable resources available for purely local services except for N11 numbers. Services based on 976 and 900 numbers are regional and national, respectively, in scope, and priced accordingly. While N11 service would be very expensive if implemented on a nationwide basis, it is cost-effective for local services because it permits local information

services providers to tailor the service they purchase to the customers they wish to serve.

**Commercial Uses of N11 Numbers Serve the Public Interest**

One issue that should not be lost in discussions of "public interest" uses for N11 numbers is that commercial uses of N11 numbers can and do serve the public interest. The Commission has long recognized that commercial entities can serve the public interest and, indeed has made serving the public interest a basic requirement for such entities as broadcast licensees. Similarly, the public interest value of the commercial offering of enhanced services was the driving force behind the Commission's Computer Inquiries. More recently, the Commission recognized that the public interest value of making PCS a reality outweighed the interests of non-commercial users of the 2 GHz band, including public safety uses, when it reallocated that band to PCS.

The Cox newspapers in Florida and Georgia have made new and valuable forms of information services available to the consumers, and it is only because of N11 service that those information services could be brought to market. The new services range from updates on important local news stories, such as a train accident in West Palm Beach, to a service that lets callers home in on the specific characteristics of products in the newspaper's classified ads that they want to buy. The extraordinary consumer acceptance of N11 service in both Florida and Georgia shows that consumers perceive significant benefits from these and the other services offered through N11.

The benefits of information services uses of N11 numbers are at least as great as other commercial uses that have been in place for years. These uses, including directory assistance call completion through 411, the use of 611 for access to unregulated inside wire repair and the use of 811 to order enhanced services such as voice mail, are convenient for local exchange carriers and consumers, but they do not advance the fundamental policy goals of this Commission or the Administration. Widespread dissemination of information and the development of information services by private enterprise are consistent with those goals and, as the experience in Florida and Georgia demonstrates, are advanced by the availability of N11 service. The public interest value of the increased availability of information in an easy-to-obtain form is significant, and the Commission should recognize that N11 service makes that benefit possible.

## N11 Service

The following is a discussion of issues relating to N11 service, which was first proposed by Cox Enterprises in August, 1991 and which now is operational in Atlanta, Georgia and West Palm Beach, Florida. In CC Docket 92-105, the Commission is considering whether to require local exchange carriers to offer N11 service, and many states have pending proceedings on the same question.

### What Is N11 Service?

Cox first conceived of N11 service in 1991. N11 service uses the existing three-digit dialing arrangements in the form of N11 (*e.g.*, 211 or 311) for access to local information services. N11 service is a specifically local service and is modeled on local directory assistance, which provides abbreviated, inexpensive access to specifically local information. N11 service has four elements: (1) Use of N11 numbers; (2) local assignment; (3) rating and recording; and (4) billing and collection. These are precisely the features used by telephone companies for 411-based directory assistance.

### N11 Service Meets a Specific Need

N11 service fills a gap in the range of telephone services available to information services providers. Local information services providers need access arrangements that are targeted to the local calling area and that permit them to recover their costs through modest charges to consumers who call their services. (Free call arrangements are not satisfactory because there is no practical way to recover costs.)

Before N11 service, there were no access arrangements specifically designed or suited to local information services providers. Other pay-per-call services, such as 976 and 900, were designed to cover wider areas than the local calling area. These services are very expensive, on the order of four to ten times more expensive than N11 service in the BellSouth region. Consumers also are wary of 976 and 900 services because bad actors have tainted the reputation of those services. The Commission is particularly aware of the problems of 900 service from its own rulemaking proceedings. Consumer discomfort with 900 numbers is amply illustrated by the drastically declining call volumes for 900 services, with a reported decline of 50 percent from 1992 to 1993.

Other existing alternatives to N11 service also do not meet the need. Regular telephone numbers do not accommodate pay-per-call services. Similarly, pay-per-call services specifically have been forbidden on 800 numbers and, in any event, 800 service is much more expensive than N11 service. There also are proposals for the development of other services,

such as alternative abbreviated dialing arrangements, but those services generally are in early stages of development and will not be available in the near future.

**N11 Service Has Been Enormously Successful Where It Has Been Offered**

N11 service is now available in communities in two states, Florida and Georgia. The Florida trial began in March, 1993 and the Georgia trial began in September, 1993. The experience in both states has been uniformly positive. To date, there have been more than 800,000 calls to the two numbers. (In comparison, parallel services using 900 numbers, which have been priced at the cost of obtaining the 900 transport service, have had call volumes of ten percent or less than the volumes of the N11 service.) Moreover, the complaint rate in each market consistently has been below 7/100 of one percent, an extraordinarily low rate for a pay-per-call service. In contrast to 900 service, call volumes for the two N11 services are steady or increasing and have not experienced any precipitous declines.

Cox's market research shows that consumers like N11 service much more than 900 service. They trust the information provided through N11 service more than the information provided through 900 service and they greatly prefer the pricing structure of N11 service. At the same time, there is no evidence of confusion from N11 service from Cox's market research, from customer service calls or from complaints to regulators by consumers or by emergency services providers.

The experience in Florida and Georgia has been so positive that the Public Service Commissions in both states decided to expand the availability of N11 service from the single trial cities to assignment of all available numbers within local calling areas throughout their entire states. These decisions were made based on reports from Cox, which was operating the trial services, and on the recommendations of the Public Service Commission staffs in both states to expand the availability of N11 service. The Tennessee Public Service Commission, based on the results in other states, decided to make N11 service available state-wide from the outset.

N11 service also gives information services providers in small communities a previously-unavailable avenue to provide their services. In both Georgia and Tennessee, the Public Service Commissions have granted requests for N11 service from rural newspapers which intend to bring local information services to their readers. The local nature of N11 service will permit these

newspapers to target their actual audiences, rather than forcing them to make their services available to a population that will not be interested. The local nature of N11 service also results in costs that are tied closely to the population of the area served by the information services provider. This means that the costs of obtaining service in rural areas are significantly less than in urban areas, which is not the case for 900, 976 and other services. The National Newspaper Association, which represents smaller newspapers, has endorsed N11 service as the best available means to permit small newspapers to offer information services to their communities.

**None of the Problems Feared by Opponents of N11 Service Have Materialized**

Opponents have suggested that N11 service will result in a variety of harms. Evaluation of the results of the N11 trials and of other activities since the Commission issued its N11 rulemaking shows that these fears have not been realized.

The first fear was that N11 numbers would be needed for area codes. There never was a meaningful prospect that N11 numbers would be used for area codes, and the upcoming implementation of interchangeable area codes has rendered this concern irrelevant. In fact, North American Numbering Plan Administration concluded close to a year ago that there would be no need to use either N11 numbers or N00 numbers for area codes.

The second issue raised by opponents was that customers would be confused by the implementation of N11 service, and particularly that there would be confusion with existing 411-based directory assistance or with 911. The two trials in Florida and Georgia, with their cumulative experience of 18 months and more than 800,000 calls, reveals that customers are not confused by N11 service. There have been no complaints or any other indication of customer confusion in either state.[1/]

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1/ Even while raising concerns about customer confusion from N11 service, some LECs have implemented their own new services using N11 numbers. For instance, Bell Atlantic recently began using 611 for access to repair service in the Washington, D.C. area. Despite the similarity of the number 611 to 911, Bell Atlantic does not appear to have taken any steps to prevent confusion. For instance, there is no indication that callers have reached repair service until well into any call to 611, and Bell Atlantic does not appear to have publicized this change in its service.

The third fear of N11 opponents was that demand for N11 service would overwhelm the supply of numbers. Experience in Georgia and Tennessee shows that, while there is a definite market for N11 service, it is limited to a specific group of entities with a need for an inexpensive, specifically local service. Thus, even though both Georgia and Tennessee have made N11 numbers generally available, demand has not exceeded supply in any local calling area in either state, even the most populous cities.2/

2/ Although Florida has approved state-wide availability of N11 service, it has not completed the initial phase of its assignment process. It is Cox's understanding that, at this time, the number of requests for service does not exceed supply in any local calling area in Florida.